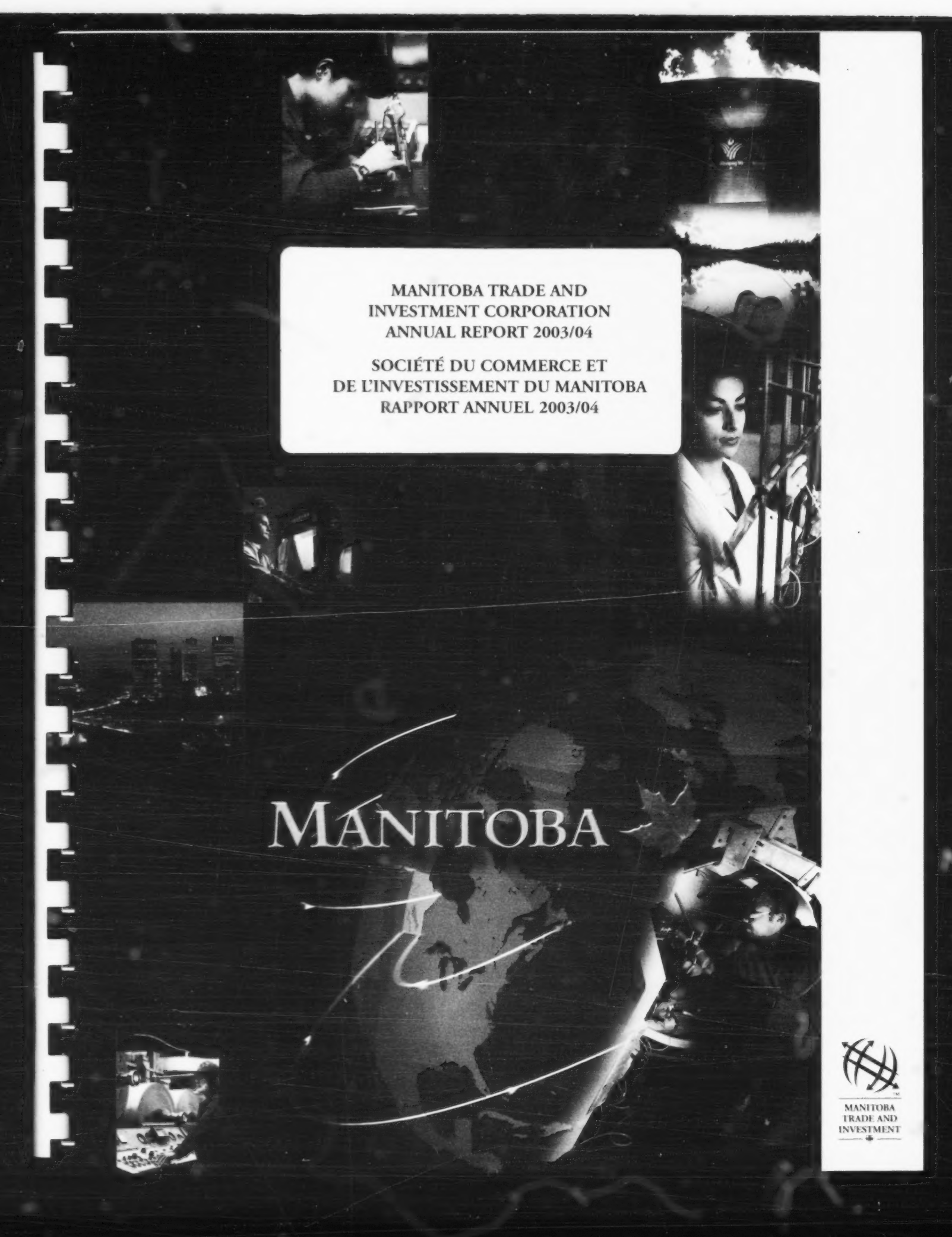
MANITOBA TRADE AND
INVESTMENT CORPORATION
ANNUAL REPORT 2003/04
SOCIÉTÉ DU COMMERCE ET
DE L'INVESTISSEMENT DU MANITOBA
RAPPORT ANNUEL 2003/04
MANITOBA
MANITOBA
TRADE AND
INVESTMENT

104-07385/

MANITOBA TRADE AND INVESTMENT CORPORATION ANNUAL REPORT 2003/04

SOCIÉTÉ DU COMMERCE ET DE L'INVESTISSEMENT DU MANITOBA RAPPORT ANNUEL 2003/04

The Manitoba Trade and Investment Corporation (MTIC) is a provincial agency of the Department of Intergovernmental Affairs and Trade. As an administrative mechanism, the Corporation supports the economic priority of building the Manitoba economy through increased exports and industry investment. The Corporation facilitates cost-sharing partnerships for specific projects and provides administrative support for missions by collecting revenues and paying related expenditures.

* * *

La Société du commerce et de l'investissement du Manitoba est un organisme provincial qui relève du ministère des Affaires intergouvernementales et du Commerce. En tant que mécanisme administratif, la Société soutient la priorité économique d'agrandir l'économie du Manitoba par l'augmentation des exportations et des investissements dans les industries manitobaines. La Société facilite les partenariats financiers pour des projets précis et offre un soutien administratif pour les missions d'affaires par le recouvrement des recettes et du paiement des dépenses liées aux projets.

MINISTER OF
INTERGOVERNMENTAL AFFAIRS AND TRADE

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
General Office: (204) 945-3788
Fax: (204) 945-1383

June 24, 2004

His Honour
The Honourable Peter Liba, C.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2004.

Respectfully submitted,

Rosann Wowchuk

Rosann Wowchuk
Minister

MINISTER OF
INTERGOVERNMENTAL AFFAIRS AND TRADE

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
General Office: (204) 945-3788
Fax: (204) 945-1383

Le 24 juin 2004

Son Honneur
L'honorable Peter Liba, C. M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Dear Monsieur le Lieutenant-gouverneur:

J'ai le plaisir de présenter à Votre Honneur le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice se terminant le 31 mars 2004.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

La ministre,

Rosann Wowchuk

Rosann Wowchuk

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

June 22, 2004

Honourable Rosann Wowchuk
Minister of Intergovernmental Affairs and Trade
Room 301 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2004, as required by Section 15 of the Manitoba Trade and Investment Corporation Act.

Respectfully submitted,

Hugh Eliasson
Chairperson

Diane Gray
President

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Le 22 juin 2004

Madame Rosann Wowchuk
Ministre des Affairs intergouvernementales et Ministre responsable du Commerce
Palais législatif, bureau 301
Winnipeg (Manitoba) R3C 0V8

Madame la ministre:

Nous avons le plaisir de vous présenter le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice qui s'est terminé le 31 mars 2004, tel que le stipule l'article 15 de la *Loi sur la Société du commerce et de l'investissement du Manitoba*.

C'est avec respect, Madame la ministre, que nous vous soumettons ce document.

Le président,

Hugh Eliasson

La présidente,

Diane Gray

Manitoba Trade and Investment Corporation

Financial Statements

March 31, 2004

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

June 16, 2004

THE MANITOBA TRADE AND INVESTMENT CORPORATION
MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies are established and respected.

The statements are examined by the Auditor General of the Province of Manitoba, whose opinion is included herein. The Auditor General has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.

Hugh Eliasson
Chairperson

Jack Dalgliesh, C.G.A.
Financial Officer

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Trade and Investment Corporation

We have audited the balance sheet of the Manitoba Trade and Investment Corporation as at March 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 16, 2004

MANITOBA TRADE AND INVESTMENT CORPORATION
BALANCE SHEET
MARCH 31, 2004
(With Comparative Figures for 2003)

	2004	2003
ASSETS		
Current Assets:		
Cash	$ 178,196	$ 178,144
Short-term investments (Note 3)	873,592	571,774
Accounts Receivable - Province of Manitoba (Note 4)	45,655	67,873
Accrued Interest - Province of Manitoba	23,900	30,257
Total Current Assets	1,121,343	848,048
Trust Funds:		
Provincial Nominee Program - Trust Funds (Note 5)	17,884,873	8,100,551
Total Trust Funds	17,884,873	8,100,551
TOTAL ASSETS	$ 19,006,216	$ 8,948,599
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 4)	$ 111,966	$ 97,363
Deferred Revenue (Note 6)	8,008	38,488
Operating Advance Payable (Note7)	500,000	500,000
Total Current Liabilities	619,974	635,851
Trust Liabilities:		
Provincial Nominee Program - Trust Fund (Note 5)	17,884,873	8,100,551
Total Trust Liabilities	17,884,873	8,100,551
TOTAL LIABILITIES	18,504,847	8,736,402
RETAINED EARNINGS	501,369	212,197
TOTAL LIABILITIES AND RETAINED EARNINGS	$ 19,006,216	$ 8,948,599

See accompanying notes to financial statements.

Approved by:

Chair of the Board

Financial Officer

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2004
(With Comparative Figures for 2003)

	2004	2003
Revenue:		
Interest (Note 5)	$ 370,710	$ 103,354
Participation Fees (Note 2)	209,675	177,928
Contract Fees Recoveries (Note 8)	565,836	560,949
Provincial Nominee Program for Business - Defaults (Note 5)	100,000	-
Total Income	1,246,221	842,231
Expenses:		
Program (Note 2)	254,862	226,789
Audit Fees	7,000	7,065
Contract Fees	694,746	596,989
Miscellaneous	441	170
Total Expenses	957,049	831,013
Net Income for the Year	289,172	11,218
Retained Earnings, beginning of year, as restated (Note 4)	212,197	200,979
Retained Earnings, end of year	$ 501,369	$ 212,197

See accompanying notes to financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2004
(With Comparative Figures for 2003)

	2004	2003
Operating Activities:		
Net Income for the year	$ 289,172	$ 11,218
Changes in non-cash working capital		
Accounts Receivable - Trade	-	54,829
Accounts Receivable - Province of Manitoba	22,218	(39,702)
Accrued Interest - Province of Manitoba	6,357	(30,257)
Accounts Payable and Accrued Liabilities	14,603	32,695
Deferred Revenue	(30,480)	(59,432)
Net cash flow from (to) operating activities	301,870	(30,649)
Investing Activities:		
Investment in short-term investments	(500,000)	-
Net cash flow to investing activities	(500,000)	-
Net decrease in cash	(198,130)	(30,649)
Cash and cash equivalents, beginning of year	749,918	780,567
Cash and cash equivalents, end of year	$ 551,788	$ 749,918
Cash and cash equivalents reconciliation:		
Cash	$ 178,196	$ 178,144
Short-term investments	873,592	571,774
Short-term investments, term to maturity greater than 90 days	(500,000)	-
	$ 551,788	$ 749,918

See accompanying notes to financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

1. Nature of Operations and Economic Dependence

The Manitoba Trade and Investment Corporation (the Corporation) was formed by an Act of Legislation in 1974. The object of the Corporation is to encourage, develop and increase Manitoba exports and trade. The Corporation's primary emphasis is to connect Manitoba businesses with emerging export opportunities.

The Corporation is economically dependent on the Government of the Province of Manitoba as all project shortfalls and deficits incurred by the Corporation are recovered from the Province.

2. Significant Accounting Policies

a. Basis of Accounting

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

b. Participation Fees and Program Expenses

Participation Fees and Program Expenditures are recognized as revenue or expense in the same period that the shows, seminars and projects sponsored by the Corporation are actually held. Fees received in advance of event days are reflected as deferred revenue.

c. Contributed Services

During the year, the Province of Manitoba provided office space and other administrative services to the Corporation at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

d. Use of Estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

3. Short – term investments

Short-term investments are carried at cost which approximates market. Funds available for investment are invested with the Province of Manitoba.

4. Restatement - Accrued Vacation Pay Payable

The financial statements have been restated to reflect the March 31, 2003 balance of accrued vacation pay payable of $55,616 for contract staff which was previously not recognized in the financial statements. The 2003 accrued liability was offset by contract fees recoveries receivable from the Province of $51,366, which excludes the accrued vacation pay payable of contract staff employed in the Provincial Nominee Program and funded from interest earned on nominees' deposits.

The 2003 comparative figures have also been restated to reflect an additional $13,455 in contract fees expense offset by additional contract fees recoveries of $9,205 to reduce 2003 net income by $4,250 and retained earnings by the same amount. The 2004 accounts payable and accrued liabilities increased by $59,443 and accounts receivable from the Province of Manitoba also increased by $53,065. The 2004 contract fees expenses increased by $3,827 and contract fees recoveries increased by an additional $1,699 to reduce the current year's net income by $2,128.

The March 31, 2002 accrued vacation pay payable balance amounted to $42,161 and was fully recoverable from the Province. Hence, there was no adjustment required to the opening balance of the 2003 retained earnings.

5. Trust Assets/Liabilities - Provincial Nominee Program

The Corporation and the Manitoba Departments of Industry, Economic Development and Mines, and Labour and Immigration operate a program known as the Provincial Nominee Program for Business, which offers individuals who wish to immigrate to the Province of Manitoba to establish and operate a business the opportunity to obtain a nominee certificate. During the 2003 fiscal year, the Corporation first entered into agreements with qualified immigrants whereby the immigrants committed to invest specified amounts to establish approved businesses in Manitoba within specified periods of time. As evidence of their commitments, the immigrants are required to deposit $75,000 (formerly $50,000) with the Corporation. These deposits are held in trust by the Corporation and are refundable to the immigrants based on the satisfaction of the conditions set out in the agreements. The final decision as to admission to Canada for permanent residence is made by the Government of Canada. In the event that nominees are not granted permanent residency visas by the Government of Canada, the Corporation also refunds the deposits. The Corporation invests the deposits, retains all interest income earned on the deposits and, should immigrants fail to satisfy the conditions of the agreements, the Corporation also has the right, under the agreements, to retain the deposits.

At March 31, 2004, deposits held in trust under the Provincial Nominee Program and invested with the Province of Manitoba totaled $17,884 873 (2003 - $8,100,551). Interest earned on these deposits during the year and retained by the Corporation totaled $355,411 (2003 – $90,365). Deposits retained during the year and included in revenue total $100,000.

6. Deferred Revenue

Deferred revenue represents unspent resources externally restricted for specific projects. Changes in the deferred balance are as follows:

	2004 $	2003 $
Balance, beginning of year	38,488	97,920
Less amount recognized as revenue in the year	(31,480)	(71,408)
Add amounts received and deferred during the year	1,000	11,976
Balance, end of year	8,008	38,488

7. Operating Advance Payable

The Corporation has a $500,000 non-interest bearing working capital advance from the Province of Manitoba. It is payable on demand.

8. Contract Fees/Recoveries

The Corporation employs a number of staff on contract. The costs of these contracts, except for contract fees related to the Provincial Nominee Program, are recovered from the Province of Manitoba.

9. Financial Instruments

The carrying amounts of current assets and liabilities are a reasonable estimate of their fair value because of the short-term maturity of these instruments.

10. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for their help and encouragement in 2003/04. We look forward to continuing good relations in the coming year.

Nous remercions tous nos partenaires pour leur assistance et encouragement en 2003/04.

MANITOBA
TRADE AND
INVESTMENT

1100-259 Portage Avenue
Winnipeg, MB Canada
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793
www.manitoba-canada.com